



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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RULE AND REGULATION 28

**UNFAIR DISCRIMINATION IN LIFE INSURANCE AND
DISABILITY INSURANCE ON THE BASIS OF
PHYSICAL OR MENTAL IMPAIRMENT**

SECTION

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SECTION 1. PURPOSE

The purpose of this rule is to implement Ark. Stat. Ann. §66-3005(7) so as to prevent unfair discrimination in life insurance, annuities and disability insurance, on the basis of physical impairment or mental impairment.

SECTION 2. AUTHORITY

This rule is issued pursuant to the authority vested in the Commissioner under Ark. Stat. Ann. §66-2111, §66-3001 through §66-3028, §5-702 and §5-703.

SECTION 3. UNFAIRLY DISCRIMINATORY ACTS OR PRACTICES

The following are hereby identified as acts or practices in life insurance, annuities and disability insurance which constitute unfair discrimination between individuals of the same class: refusing to insure, or refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual, or charging a different rate for the same coverage solely because of physical impairment, or mental impairment, except where the refusal, limitation or rate differential is based on sound actuarial principals or is related to actual or reasonably anticipated experience.

SECTION 4. EFFECTIVE DATE AND APPLICABILITY

This rule shall be effective August 1, 1987, and shall be applicable to all life insurance, annuities and disability policies delivered or issued for delivery in this State on or after such date, and to all existing group contracts which are amended or renewal on or after the effective date including group contracts issued in another State insofar as their coverage of residents of this State is concerned.

SECTION 5. SEVERABILITY

Any section or provision of this rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision.

(signed by the Commissioner)

Robert M. Eubanks III
Insurance Commissioner

July 20, 1987

Date